

INITIATIVE 178

I, Ralph Munro, Secretary of State of the State of Washington and custodian of its seal, hereby certify that, according to the records on file in my office, the attached copy of Initiative Measure No. 178 to the Legislature is a true and correct copy as it was received by this office.

AN ACT Relating to property taxes: amending RCW 84.41.050, 84.48.010, and 84.55.010; adding new sections to chapter 84.40 RCW; adding new sections to chapter 84.41 RCW; adding a new section to chapter 84.44 RCW; adding a new section to chapter 84.48 RCW; adding a new section to chapter 84.52 RCW; adding a new section to chapter 84.55 RCW; creating a new section; and repealing RCW 84.41.030, 84.41.041, 84.41.070, and 84.41.130.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

NEW SECTION. Sec. 1.

This act may be referred to as "The Property Tax Relief Act."

NEW SECTION. Sec. 2. The legislature of the State of Washington finds and declares:

(1) Real property taxes should be stabilized, uniform and predictable.

(2) The 1995 assessed value of real property shall constitute the standard for determining true and fair value for taxation purposes;

(3) This act's limitation of assessed valuation to the 1995 base year and limiting increases to a 2 percent inflation rate is a fair method, as determined by the CPI, of determining assessed valuation. This method applies to every parcel of real property in this state and operates in an orderly, simple, systematic, nondiscriminatory and uniform manner.

(4) This act's limitation on assessed valuation is consistent with the existing 1 percent limitation on true and fair value in the Constitution. This act guarantees that the constitutional limit on property taxes will not be breached.

NEW SECTION. Sec. 3.

For purposes of chapters 84.40, 84.40, 84.41, 84.44, 84.48, 84.52, 84.55 RCW, "true and fair value" and "value" mean:

(1) The fair market value of all real property in 1995, as assessed;

(2) The 1995 value of any new construction or new improvements to real property; and

(3) An inflationary rate not to exceed 2 percent for any given year or a reduction to reflect decline in value.

NEW SECTION. Sec. 4.

Assessors shall revalue all real property to 1995 values before taxes for collection in 1999 are levied.

NEW SECTION. Sec. 5.

For the purposes of section 3 of this act, "new construction" or "new improvements" shall not include any construction, installation or modification required by any unit of government for any purpose, including, but not limited to health and safety.

NEW SECTION. Sec. 6.

The method of determining true and fair value for real property in RCW 84.40.030 and for timberland in RCW 84.40.033 shall be used for determination of the 1995 true and fair value. Thereafter, true and fair value shall be determined under section 3 of this act.

NEW SECTION. Sec. 7.

A new section is added to chapter 84.41 RCW to read as follows:
The requirements in this chapter for an active program of revaluation shall terminate once all property is revalued at 1995 values. Thereafter, county assessors shall maintain an active and systematic program of revaluing only new construction or new improvements to real property to determine 1995 values of such new construction and new improvements.

NEW SECTION. Sec. 8.

A new section is added to chapter 84.41 RCW to read as follows:
The definitions in section 3 of this act apply to this chapter.

NEW SECTION. Sec. 9.

A new section is added to chapter 84.44 RCW to read as follows:
The definitions in section 3 of this act apply to this chapter.

NEW SECTION. Sec. 10.

A new section is added to chapter 84.48 RCW to read as follows:
The definitions in section 3 of this act apply to this chapter.

NEW SECTION. Sec. 11.

A new section is added to chapter 84.52 RCW to read as follows:
The definitions in sections 3 of this act apply to this chapter.

NEW SECTION. Sec. 12.

A new section is added to chapter 84.55 RCW to read as follows:
The definitions in section 3 of this act apply to this chapter.

Sec. 13. RCW 84.41.050 and 1961 c 15 s 84.41.050 are each amended to read as follows:

~~((Each county assessor in budgets hereafter submitted, shall make adequate provision to effect county-wide revaluations as herein directed.))~~ The several boards of county commissioners in passing upon budgets submitted by the several assessors, shall authorize and levy amounts which in the judgment of the boards will suffice to carry out the directions of this chapter.

Sec. 14. 84.55.010 and 1979 ex.s.c 218 s 2 are each amended to read as follows:

Except as provided in this chapter, the levy for a taxing district in any year shall be set so that the regular property taxes payable in the following year shall not exceed one hundred six percent of the amount of regular property taxes lawfully levied for such district in the highest of the three most recent years in which such taxes were levied for such district plus an additional dollar amount calculated by multiplying the increase in assessed value in that district resulting from new construction, improvements to property, and any increase in the assessed value of state-assessed property by the regular property tax levy rate of that district for the preceding year. The limit under this section on regular property taxes payable is reduced in 1997 to one hundred five percent, reduced in 1998 to one hundred four percent, and reduced in 1999 to one hundred two percent, and that one hundred two percent limit shall remain the limit thereafter.

NEW SECTION. Sec. 15.

The following acts or parts of acts are each repealed:

- (1) RCW 84.41.030 and 1982 1st ex.s. c 46 s 1, 1971 ex.s. c 288 s 6, & 1961 c 15 s 84.41.030;
- (2) RCW 84.41.041 and 1987 c 319 s 4, 1982 1st ex.s. c46 s 2, 1979 ex.s. c 214 s 9, & 1974 ex.s. c 131 s 2;
- (3) RCW 84.41.070 and 1994 c 301 s 40, 1975 1st ex.s. c 278 s 198, & 1961 c 15 s 84.41.070; and
- (4) RCW 84.41.130 and 1974 1st ex.s. c 278 s 203 & 1961 c 15 s 84.41.130.

NEW SECTION. Sec. 16.

Section 1 through 6 of this act are each added to chapter 84.40 RCW.

NEW SECTION. Sec. 17.

In order to assure the long term stability of the valuation system established in this act not subject to repeated statutory changes, the people request the legislature to propose any amendment to the state constitution as may be necessary pursuant to its authority in Article XXIII of the state constitution.

END